

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00 /027 W

----- 038052

R 191746Z JAN 76

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 8856

INFO AMCONSUL LENINGRAD

USDOC WASHDC

USDA WASHDC

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USDOC FOR MARAD/ASST. SECRETARY BLACKWELL

E.O. 11652: NA

TAGS: EWWT, UR, US

SUBJECT: PORT CONGESTION IN ODESSA STILL SERIOUS

REF: 75 MOSCOW 17272

1. SUMMARY - PORT CONGESTION REMAINS SERIOUS PROBLEM IN ODESSA, MAINLY DUE TO SIMULTANEOUS ARRIVAL OF SEVERAL SHIPS CHARTERED DURING LARGE-SCALE SOVIET BOOKINGS OF US SHIPS LAST FALL, BUT SITUATION IS NOW EASING SOMEWHAT. ONE US SHIP RECENTLY WAITED SEVEN WEEKS TO BEGIN UNLOADING AND MINIMUM WAIT WILL BE ONE MONTH OVER NEAR TERM. US TANKERS ARE BEING UNLOADED AT TWO PIERS EACH AVERAGING ABOUT 4,000 TONS PER DAY. UNLOADING TIME FOR TANKERS AVERAGING 40,000 TONS PLUS IS 10-15 DAYS. UNLOADING AT NEARBY PORT OF IL'ICHEVSK SEEMS TO PROCEED SLOWER. US TANKERS ARE ALSO EXPERIENCING 4-6 WEEKS DELAYS IN DISCHARGING GRAIN AT BLACK SEA PORT OF BATUMI.

2. IN DISCUSSIONS WITH EMBOFFS, ODESSA PORT OFFICIALS INDICATED GENERAL SATISFACTION WITH RELATIONS WITH US SHIPPERS. FUMIGATION PROBLEM, WHICH WAS GIVEN AS MAIN REASON FOR UNLOADING DELAYS, WAS ONLY SIGNIFICANT ISSUE RAISED BY SOVIETS. THEY EXPRESSED CERTAINTY PORT COULD HANDLE SHIPMENTS PROJECTED FOR 1976. LABOR

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SHORTAGES INDIRECTLY WERE ACKNOWLEDGED AS A PROBLEM.

AND WHILE UNWILLING TO ESTIMATE DAILY GRAIN HANDLING CAPACITY AT ODESSA, PORT OFFICIALS SAID THAT 25,000 TONS OF CARGO CAN BE UNLOADED DAILY. OBJECTIVE NOW, HOWEVER, MAY BE 30,000 TONS DAILY. END SUMMARY

3. DURING VISIT TO ODESSA JANUARY 15-16, EMB ECON AND CONS OFFICERS VISITED PORT FACILITIES, MET WITH SOVIET PORT AND SHIPPING OFFICIALS, AND CONVERSED WITH US SHIP CAPTAINS WHOSE VESSELS WERE CURRENTLY UNLOADING GRAIN. VISIT TO NEARBY PORT OF IL'ICHEVSK HAD TO BE CANCELLED DUE TO INSUFFICIENT TIME, THE RESULT OF A SCHEDULING MISUNDERSTANDING BETWEEN LOCAL OFFICIALS AND PROTOCOL SECTION OF MINISTRY OF MERCHANT MARINE, WHICH ARRANGED TRIP AT OUR REQUEST.

4. DURING JANUARY 16 MEETING ABOARD TANKER MONTPELIER VICTORY, CAPTAIN HOOPER SAID HIS VESSEL, AFTER ARRIVING ON NOVEMBER 22, HAD WAITED UNTIL JANUARY 11 TO UNLOAD. HE ESTIMATES A MINIMUM OF ONE MONTH DELAY FOR SHIPS ARRIVING NOW. HIS WAS THE LAST OF EIGHT US SHIPS TO REACH PORT WITHIN A TWO-DAY PERIOD, THE APPARENT RESULT OF HEAVY SOVIET BOOKINGS OF US TANKERS LAST FALL, SEE REFTTEL. TWO PIERS ARE BEING USED TO UNLOAD US TANKERS AND HOOPER ESTIMATES DAILY CAPACITY OF EACH AT 4,000 TONS IF CARS AND BARGES ARE USED SIMULTANEOUSLY. HE FEELS BULK CARRIERS COULD BE UNLOADED AT THREE TIMES THAT RATE USING CLAM SHOVELS. TANKERS AVERAGING 40,000 TONS PLUS WOULD NEED 10-15 DAYS TO UNLOAD. HE WAS NOT AWARE OF ANY SIGNIFICANT RAIL CAR OR LABOR SHORTAGES. HE EXPRESSED DISSATISFACTION THAT SOVIETS CHARGE DOLS 3.50 PER TON TO LIGHTEN SHIPS TO ENABLE THEM TO DOCK AT 34 FOOT PIERS. NEED FOR FUMIGATION OF CERTAIN TANKS ARISES BECAUSE OF EXTENDED DELAYS IN UNLOADING, BUT PROBLEM VARIES FROM SHIP TO SHIP.

5. CAPTAIN MCLAUGHLIN OF THE MONTICELLO VICTORY SAID HIS VESSEL ARRIVED ON DECEMBER 17 BUT BEGAN UNLOADING LAST WEEK AT IL'ICHEVSK. IT TOOK ONE WEEK TO DISCHARGE 9,000 TONS ONTO BARGES CALLED "VOLGA BOATMAN" EACH CARRYING 2,700 TONS. HE ESTIMATES THAT PORT CAN UNLOAD LIMITED OFFICIAL USE

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3,000 TONS OF GRAIN PER DAY. NO US SHIPS WERE WAITING TO UNLOAD. HE OBSERVED MANY SOVIET MERCHANT VESSELS SITTING IDLE IN PORT BUT OFFERED NO EXPLANATION. MCLAUGHLIN SAID THE TANKER ARCO ENTERPRISE RECENTLY HAD A LONG WAIT TO DISCHARGE AT BATUMI AND THAT 4-6 WEEK DELAYS COULD BE EXPECTED THERE.

6. BOTH CAPTAINS FELT ODESSA PORT FUNCTIONED WELL.

DUNBAR-KAPPLE VAC-U-VATORS WERE BEING USED AND A SHIPMENT OF SIMILAR WEST GERMAN EQUIPMENT HAD RECENTLY ARRIVED AT ODESSA. MCLAUGHLIN SAID, HOWEVER, THAT PORT EQUIPMENT BROKE DOWN FREQUENTLY AND MUCH IS IDLE.

7. CAPTAIN SITTER, SHIP OWNERS' REPRESENTATIVE, COMPLAINED TAHT DESPITE DOLS 16 PER TON RATE PAID BY SOVIETS AND DOLS 13 USG SUBSIDY PER TON, EXTENDED DELAYS IN UNLOADING WERE MAKING GULF-BLACK SEA RUN UNPROFITABLE. DEMURRAGE FEES DO NOT EVEN COVER DAILY COSTS, HE SAID.

8. EMBOFFS MET ON JANUARY 15 WITH NEW PRESIDENT OF BLACK SEA SHIPPING COMPANY, OLEG TOMAS, FORMERLY ODESSA PORT MANAGER, AND MANAGER OF "INFLOT" ODESSA, A. OVCHINNIKOV. EMBOFFS WERE INFORMED THAT BLACK SEA'S FORMER PRESIDENT GOLDOBENKO HAD BEEN NAMED DEPUTY MINISTER OF MERCHANT MARINE AS OF JANUARY 1. OVCHINNIKOV SAID APPROXIMATELY 100 US VESSELS WERE EXPECTED AT ODESSA, IL'ICHEVSK, AND KHERSON IN 1976, MATCHING THE 1973 HIGH. TOMAS SAID THAT UNLIKE 1973, ODESSA NOW HAS NECESSARY EQUIPMENT TO UNLOAD US SHIPS, BUT IF LATTER BROUGHT THEIR OWN, IT WOULD STILL SPEED THE PROCESS.

9. MEETING ON JANUARY 16 WITH PORT DIRECTOR DUBETSKY BEGAN WITH GENERAL BRIEFING. CARGO TURNOVER IS 20-22 MILLION TONS ANNUALLY, HALF OIL AND HALF DRY CARGO. SIX THOUSAND PEOPLE WORK IN PORT, INCLUDING 2,000 STEVEDORES. WORK PROCEEDS AROUND CLOCK. STEVEDORES FORMERLY WORKED SEVEN HOUR SHIFTS BUT NOW WILL WORK 8 HOURS IN RETURN FOR EXTRA PAY AND AN EXTRA DAY OFF. RELATIONS WITH US SHIPPERS ARE PROCEEDING SMOOTHLY. ONLY PROBLEM IS FUMIGATION, THOUGH MORE SO IN SUMMER THAN NOW. LIMITED OFFICIAL USE

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FUMIGATION OF US VESSELS IN PAST HAS NOT BEEN GOOD, UNLIKE CANADIAN SHIPS. RESULT ACCORDING TO DUBETSKY IS DELAY IN UNLOADING SINCE FUMIGATION MUST EITHER BE PERFORMED AT UNLOADING PEIR OR SHIP MUST BE TOWED AWAY. THERE ARE NO SPECIAL PIERS FOR FUMIGATION OPERATIONS. PROPERLY FUMIGATED SHIP CAN BE UNLOADED IN 12 DAYS, OTHERWISE IT CAN TAKE 30-45 DAYS. HE FELT FUMIGATION PROBLEMS WERE A KEY REASON FOR DELAYS IN UNLOADING US SHIPS BUT THAT SITUATION WAS BETTER IN WINTER. AT ONE TIME LATE LAST YEAR, SIX SHIPS WERE WAITING TO UNLOAD NOW ONLY TWO WERE WAITING AT ODESSA.

10. IN RESPONSE TO SPECIFIC QUESTIONS, DUBETSKY SAID RAIL CAR SHORTAGES WERE NOT A PROBLEM THOUGH THERE WERE "SOME BREAKS" BEFORE. HE DECLINED TO GIVE A FIGURE ON

DAILY GRAIN UNLOADING CAPABILITY BUT SAID PORT CAN HANDLE 25,000 TONS OF CARGO DAILY. HE DENIED SERIOUS LABOR SHORTAGES EXIST AT SOVIET PORTS THOUGH HE OBSERVED LABOR SHORTAGES WERE GENERAL IN USSR, THUS ALSO AFFECTING PORTS. AND HE REJECTED IDEA THAT PORT CONGESTION AND SUBSEQUENT NEED TO PAY DEMURRAGE WERE SIGNIFICANT PROBLEMS. HE DID SAY THAT DELAYS SOMETIMES OCCUR AND NORMS CANNOT BE MET BECAUSE A "PORT IS A PORT", BUT HE QUICKLY RETURNED TO FUMIGATION PROBLEM AS MAIN CAUSE FOR DELAYS.

10. COMMENT - WHETHER BECAUSE OF FUMIGATION REQUIREMENTS AS STATED BY SOVIETS OR OF OVER-SCHEDULING, LABOR SHORTAGES, ETC., PORT OF ODESSA IS NOW SIGNIFICANTLY CONGESTED FOR UNLOADING US TANKERS CARRYING GRAIN. LABOR SHORTAGES, INDIRECTLY ACKNOWLEDGED BY DUBETSKY, MIGHT ALSO BE REASON FOR EXTENSION OF STEVEDORE WORK SHIFT TO 8 HOURS, THOUGH REASON GIVEN WAS PURELY TECHNICAL. AND UNLOADING NORMS MAY NOW BE HIGHER, AS ONE US CAPTAIN WAS TOLD BY SOVIET STEVEDORE THAT DAILY GOAL NOW WAS 30,000 TONS. HE WAS ALSO TOLD THAT SOVIETS ARE NOW CONSIDERING ADDING AN ADDITIONAL PIER AT ODESSA TO HANDLE US TANKERS.

11. OVERALL, SUBJECT OF GRAIN UNLOADING CAPABILITY AND PORT CONGESTION WAS CLEARLY SENSITIVE TO SOVIET OFFICIALS. LIMITED OFFICIAL USE

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EMPHASIS ON FUMIGATION PROBLEM AS REASON FOR DELAYS NO DOUBT HAS SOME BASIS IN FACT, BUT IT SEEMS CLEAR SOVIETS WERE ALSO BUILDING RATIONALE TO EXPLAIN PORT CONGESTION. IF UNLOADING DELAYS CONTINUE INTO WARMER WEATHER, FUMIGATION ISSUE MAY WELL BECOME MAJOR IRRITANT FOR US SHIPPERS IN BLACK SEA PORTS. STOESSEL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CARGO HANDLING, PORT FACILITIES, GRAINS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MOSCOW00776
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760020-0385
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760144/aaaabneb.tel
Line Count: 207
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 MOSCOW 17272
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAY 2004 by BoyleJA>; APPROVED <12 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PORT CONGESTION IN ODESSA STILL SERIOUS
TAGS: EWWT, UR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006